

Rural Development Assistance Program
Department of Community and Economic Development
Program 14

I. PROGRAM OBJECTIVES

The purposes of the Rural Development Assistance Program are to promote development of the rural areas of the state by broadening and diversifying the economic base of rural areas; to improve health, welfare and economic security; and, to provide employment and income in rural areas.

II. PROGRAM PROCEDURES

Funds are awarded on a competitive basis to eligible rural communities. Up to \$100,000 per year may be provided to a community under this program.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. TYPES OF SERVICES ALLOWED OR UNALLOWED

Compliance Requirement

A project is eligible for funding under AS 44.33.740 to 44.33.745 if it: (1) contributes to the economic development of the community; (2) develops basic community facilities or infrastructure to improve the health, welfare, and economic security of the community; or, (3) develops planning and feasibility studies for community development or prepares for externally generated projects or events affecting the community. AS 44.33.740; 3 AAC 160.052

Suggested Audit Procedure

- Test financial and related records and determine the purposes for which the grant funds were expended.

B. ELIGIBILITY

The auditor is not expected to verify eligibility for receipt of funds.

C. MATCHING, LEVEL OF EFFORT, AND/OR EARMARKING REQUIREMENTS

Compliance Requirement

Although not required by statute or regulation, grant recipients are encouraged to provide local or other funds or in-kind services to the project. Funding decisions are made, in part, on the basis of such a commitment by the grantee. The grant agreements will often specify the local or other contributions.

Suggested Audit Procedures

- Review the grant agreement to identify any contribution to be provided.
- Review financial and grant records to verify the source of funds and that the amount of the contribution was provided.

D. REPORTING REQUIREMENTS

Compliance Requirement

Grant recipients are to provide financial and narrative reports according to a schedule established in grant agreements 3 AAC 160.082 (b)

Suggested Audit Procedures

- Trace data in selected reports to underlying documentation.

E. SPECIAL TESTS AND PROVISIONS

There are no special tests or provisions beyond the preceding requirements.

Modified 5/00